

MULTISTATE FINANCIAL INSTITUTION DATA MATCH

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (also known as Welfare Reform) provided the state child support programs with the Financial Institution Data Match (FIDM), as an additional means for locating the assets of individuals owing child support obligations. State child support programs may issue liens or levies on the accounts of the non-custodial parent to collect past-due child support.

Today, the Federal Office of Child Support Enforcement (OCSE) through the Federal Parent Locator Service (FPLS) assists the states in comparing a state's child support debt records with the account records of Multistate Financial Institutions.

What Financial Institutions must participate in the data match program?

Financial Institutions that must participate in FIDM include:

- Banks; savings and loans
- Federal and State credit unions
- Benefit associations, insurance companies, safe deposit companies, money-market mutual funds, and similar institutions

What types of accounts are subject to the data match program?

Accounts subject to FIDM include:

- Demand deposit accounts
- Checking accounts or negotiable withdrawal order accounts
- Savings accounts
- Time deposit accounts
- Money-market mutual fund accounts

How does the Financial Institution Data Match work?

Financial Institutions fall into one of two categories: single-state or multistate. A single-state Financial Institution conducts business solely within one state. These institutions are generally smaller, independent banks, credit unions, and savings and loans which

operate within a single state. Multistate Financial Institutions, on the other hand, operate in two or more states. These institutions are generally very large banks, credit unions, insurance companies, and security firms operating in many states.

States enter into agreements with Financial Institutions within their state for the purpose of comparing their child support debt records to the Financial Institutions' account records, to identify accounts belonging to parents who are delinquent in their child support obligation. When an account is identified, state child support programs may take action to seize the non-custodial parent's assets.

How does Multistate FIDM work?

Currently, state child support programs send OCSE the Federal Offset File (used to intercept federal tax refunds and other federal administrative payments), which includes the names, Social Security Numbers, and child support debt amounts owed by non-custodial parents. The state also indicates whether the non-custodial parent should be submitted for Multistate Financial Institution Data matching. OCSE ensures the accuracy of the records, and transmits the file to the Multistate Financial Institutions.

Multistate Financial Institutions compare the child support data to their open accounts, and transmit to OCSE account information for the delinquent child support obligors. OCSE then transmits the data returned from the Multistate Financial Institutions to the appropriate states.

Based on the information from OCSE, the state child support agency may issue liens or levies (consistent with the state's laws) to attach and seize the assets belonging to the person who owes child support.